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THE FINNISH SITUATION

15 February 1944

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The Problem

Russia's success in raising the siege of Leningrad, her advance into Estonia, the American warning to Finland to withdraw from the war or face the consequences, increasing demands for peace in Finland, and finally, the arrival in Stockholm of the Finnish statesman Juho Paasikivi, Chairman of the Finnish delegation which negotiated the peace with Russia in 1940 (a man reported to be well regarded by Premier Stalin), all strongly suggest that the question of Finland's continuation in the war has now become more acute than at any time in the past. It is the purpose of this paper to estimate the probabilities in the situation and to suggest the effect on Russian and German capabilities, should Finland withdraw from the war.

DiscussionA. Russia

1. Russian Aims vis-à-vis Finland. Russia's demands on Finland will be determined by a careful balancing of Russia's aims, in Finland and elsewhere, and the means, military and political, which she possesses to achieve these aims. Her immediate aims in Finland appear to be primarily short-term, i.e., directly related to the prosecution of the war against Germany. These can be stated with some degree of assurance, since they are of a strategic and logistical nature. There are also probably long-term aims vis-à-vis Finland, which are more difficult to assess, inasmuch as they project into a future, the geopolitical conditions of which are largely unknown. From the evidence — admittedly inadequate — which is available, Russia's immediate aims appear to be the following:

- a. To insure the withdrawal of Finnish forces to at least the 1940 frontier in order to regain control of transport routes (notably the southern part of the Murman Railroad and the Baltic-White Sea canal), and of productive capacity now in Finnish hands.
- b. To eliminate the German position in Northern Finland and adjacent Northern Norway in order to make the Northern Supply Route to Russia more secure and more effective.
- c. To release the Russian divisions now on the Finnish front for service elsewhere.

- d. To acquire bases in Finland from which to prosecute the war against Germany.
- e. To weaken Germany's economic capabilities by denying to her the nickel, cobalt, copper and forest products now obtained from Finland, and by interfering with her supply of high-grade iron ore from Sweden.
- f. To strengthen Russia's economic capabilities by securing access to the Finnish nickel, cobalt, and copper now going to Germany.

2. Probable Immediate Russian Demands on Finland

- a. It is likely that, with Germany still undefeated, the Russians would prefer not to make the military investment which would be necessary to crush Finnish resistance; hence the Russians are unlikely to make demands that will lead the Finns to fight to the end.
- b. Thus the problem now confronting the Russians is to secure as many of their aims as possible and with as little military investment as possible. This necessarily means a maximum of PW pressure, and it may explain the current barrage of Russian threats to Finland. It is significant that Soviet threats carry a conditional note. Thus, Izvestiya, for February 8, asks, "How would they [the Finns] like to see the Red Army defending... the USSR near the very gates of Helsinki?" And in Algiers Vyshinsky, presumably with a view to the effect on American official circles, raised the question "if there is

to be such a thing as Finland, after the disgraceful behavior of that country in the present circumstances."

- c. It is clear that if Finland wishes to withdraw from the war, she will have to make the first move. This is evidenced by repeated Russian denials of reported ultimatums made by the Soviet government to Finland, and by persistent Russian suggestions that it is up to the Finns to make the first move. Furthermore, the position that an Axis accomplice must take the initiative has precedent in Allied policy toward Rumania.
- d. In spite of the violent Russian denunciations of the present Finnish government, it is not likely, because of the obvious military and political advantages to Russia of an immediate peace with Finland, that Russia will at this time make any demands respecting changes in the Finnish regime which might threaten the success of the negotiations. Whether Russia aims ultimately (a) at collective security and long-term cooperation with the United States and Great Britain, or (b) at the westward expansion in Europe of an exclusive Soviet sphere of control, immediate peace with Finland would seem to be in Russia's interest. However, it is obvious that the Russians would prefer to deal with Finns less Russophobe than the members of the present Finnish government. It is possible that their demands might be less harsh if the Finnish negotiators were men, like Paasikivi or Erkkö, who have not been committed to the present regime's policy of war to

- e. It is also reasonably clear that when and if Finland asks for terms, the Russians will insist on at least the public form of unconditional surrender. Not only does the Moscow Declaration specifically provide that the several United Nations will "continue hostilities against those Axis powers with which they respectively are at war until such powers have laid down their arms on the basis of unconditional surrender," but anything less, in view of the Russians' expressed attitude, would hardly satisfy their highly developed sense of national prestige.
- f. On the other hand, the Russians can gain no advantage from any moderateness in their demands, unless they make these demands known to the Finns in advance of the surrender, as an inducement to the Finns to withdraw from the war. Thus what is to be expected is a public "unconditional surrender," with the major conditions secretly arranged in advance. As indicated above, these conditions will be calculated to be those which the Finns will accept rather than face the alternative of eventual loss of their national independence. They will probably be the following:
- 1) Immediate disarmament and internment (by the use of force, if necessary) of German troops still in Finland at the time of the Finnish surrender. The Russians would also probably insist on some measure of supervision on their part and the

right to send in their own forces if Finnish forces proved inadequate.

- ii) Withdrawal of the Finnish army to the 1940 frontiers. It is possible that the Russians would consent to leave the final delimitation of the frontier until later, holding out hopes that adjustments favorable to the Finns might be made after the war. at least to peacetime strength,
 - iii) Demobilization of the Finnish army, following completion of the disarming of the Germans.
 - iv) Russian occupation of Hango, the Petsamo district, and possibly the Aland Islands until the final defeat of Germany.
 - v) Transfer of specified amounts of Finnish rolling stock and shipping to Russia, either outright or for the duration of hostilities with Germany.
 - vi) Reparations for damage to Leningrad and in Eastern Karelia — presumably in the form of materials and/or labor.
 - vii) Delivery of specified amounts of nickel, copper, and forest products to Russian account.
- g. The Russians will undoubtedly realize that one of the most compelling reasons for Finland's continued adherence to Germany is her dependence on that country for foodstuffs, coal, and oil. They will also realize that Finland's ability to disarm the Germans in Finland and to deliver to the Russians the commodities that they demand will be influenced by Finland's being able to secure food, coal, and oil elsewhere. Unable

herself to provide Finland with these vitally needed commodities, Russia would probably be compelled (if she desired prompt Finnish compliance with her demands) to permit Finland to secure them from others. Sweden, anxious for Finland to make peace on any terms which would give her some assurance of continued national existence, presumably would supply Finland with a limited amount of food from her own reserves if she felt sure that these could be replenished before the winter of 1944-45 (presumably as a result of German collapse and the consequent opening of routes to the Atlantic). Coal and oil would have to be supplied by Great Britain or the United States, either through Petsamo or via the Murman Railroad.

3. Probable Russian Reaction Toward Proposals of Joint United Nations Action in Armistice and Occupation

- a. Inasmuch as the Finns might be more willing to accept the above terms if they were made jointly by those of the United Nations at present at war with Finland, the question arises as to what Russia's attitude toward such joint action would be.
- b. According to the terms of Russia's alliance with Great Britain, the Soviet government is obligated "not to negotiate or conclude, except by mutual consent, any armistice or peace treaty with Germany or any other state associated with her in acts of aggression in Europe," and the Joint Four-Nation Declaration of Moscow requires further that those nations "at war with a common enemy" shall "act

together in all matters relating to the surrender and disarmament of that enemy." Thus Great Britain, who is at war with Finland, must not only approve the terms of a Soviet-Finnish armistice, but must act jointly with Russia in obtaining Finland's surrender and disarmament. There is no reason to assume that Russia will not live up to the terms of the Anglo-Soviet alliance and the Declaration of Moscow, and it seems unlikely that Britain will oppose any of the terms listed above.

- c. As regards the post-armistice occupation, the Moscow Declaration provides that "after the termination of hostilities they [The Allied powers] will not employ their military forces within the territories of other states except for the purposes envisaged in this declaration and after joint consultation." However, this stipulation does not forbid exclusive occupation by the army of one of the Allies. In view of the military and geographic circumstances, it seems likely that the occupation would be by Soviet forces alone. It is possible that the Russians would not object to the setting up of an inter-allied advisory council for Finland, similar to that now established for Italy. However, such a council would presumably be a British-Russian affair, dominated by the Russians.

4. Effect on Russian Capabilities of Finnish Withdrawal from the War

- a. Military Manpower and Materiel. Assuming that the Finns agreed to withdraw from the war on roughly the terms stated above, a part of the Russian forces

on the Finnish front might be available for service elsewhere. According to the last available order of battle (July 1943) the following Soviet troops were located on the Finnish front:

- 21 Infantry divisions
- 1 NKVD division
- 2 Rifle brigades
- 1 NKVD brigade
- 11 Marine brigades
- 6 Ski brigades
- 1 Partisan brigade

Assuming the strength of an infantry division at 8,000 men, the NKVD division at 12,000, and the several types of brigades at 4,000 each, there were approximately ^{operational} 260,000 Soviet troops on the Finnish front last July. In addition to these ground troops, there were estimated to be 4 air divisions.

It is unlikely that any but a small proportion of this strength (if it is currently at the indicated level) would be available for service on other fronts before demobilization of the Finnish army was well under way. Thereafter a considerable portion of the Soviet forces now on the Finnish front would probably be required for operations against the Germans in northern Norway and for manning Russian bases in southwestern Finland. It is therefore doubtful if more than, say, 100,000 troops would become available for service elsewhere.

Withdrawal of Finland from the war would not significantly reduce the wastage of Russian materiel, since the Russo-Finnish front has been very quiet. It is estimated that the annual consumption of Russian artillery ammunition on this front is only 1/4 of 1 percent of the total Russian consumption (in terms of

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operations (both bombing and reconnaissance) from

b. Logistics ~~nearby~~ bases. Summer use would also mean that

- 1) Northern Supply Route. Withdrawal of the Finnish forces to the 1940 frontier would free the southern part of the Murmansk Railroad. This would be a decided advantage to the Russians inasmuch as it would obviate the necessity of routing supplies landed at Murmansk over the roundabout route via Obozerskaya and Vologda; it would thus make for economy in the use of rolling stock, and for more rapid delivery of imported supplies to Leningrad and the front.

An even greater advantage would derive from the expulsion of the Germans from northern Finland and adjacent Northern Norway. This would open up the Northern Supply Route for summer use, which is not now possible because of German air operations (both bombing and reconnaissance) from nearby bases. Summer use would also mean that the port of Archangel as well as that of Murmansk would be available, thus very greatly increasing the volume of supplies which could be sent over this route (with consequent saving in shipping tonnage and in convoy ships, as compared with the Persian Gulf Route).

- 11) Baltic-White Sea Waterway. Re-possession of the entire length of this inland waterway by the Russians would provide an additional link in the Northern Supply Route. It would also make possible the strengthening of the Russian naval position in the Gulf of Finland and the Baltic by the transfer of small naval vessels (PT boats, submarines, landing craft, and small destroyers) to these waters from the Arctic.

c. Industrial raw materials

- 1) Nickel. Finnish withdrawal from the war should ultimately benefit the Russian nickel position in two ways: a) it would make possible the resumption of large-scale operations at Monchegorsk in the Kola Peninsula, and b) it would make the Petsamo production available to the Russians.

The refinery at Monchegorsk, the first section of which was completed in 1939, was evacuated in the summer of 1941 following the outbreak of the war, after having reached a production of 1500 tons of metallic nickel in 1940 (out of an estimated capacity of 5,000 tons annually). There are reports that suggest that production may be under way again; return to the production reached in 1940 would raise Soviet domestic production to approximately 76 percent of requirements, from the present 69 percent. If the Russians were able to get control of the present output of the Petsamo mines and smelter they would add another 4,500 tons

a year to their supply, enabling them to meet about 95 percent of their requirements. However, it is to be expected that the Germans would thoroughly wreck the Petsamo plant and probably the mine also before withdrawing (or surrendering), so that it may be assumed that any improvement of the Russian nickel position in the near future would come from the Monchegorsk combine.

- ii) Cobalt. While neither the current Soviet production or requirements are known, it is safe to assume that the 200 tons of this metal annually produced in Finland would improve the Russian cobalt position, assuming that the Finnish productive facilities were not destroyed or could be restored.
- iii) Copper. The 20,000 tons of metallic copper which the Germans now obtain annually from Finland presumably would be available to the Russians if production facilities were not destroyed. While significant, this item would not bulk large against either Russian production (estimated at 235,000 tons annually) or requirements (estimated at 350,000 tons annually).
- iv) Apatite. Before the war the main source of superphosphates in the USSR was the apatite mines and combine at Kirovsk in the Kola Peninsula. Although Kirovsk is further from the front than the Monchegorsk nickel combine, it is assumed that some bomb damage has occurred and that the removal of the threat of air raids would lead to an increase in production.

- v) Aluminum. Removal of the threat of air raids would also permit the Russians to return the equipment of the Kandalaksha aluminum plant which was removed to the Urals in 1941. It is very doubtful, however, whether this plant which was reported to have a capacity of 17,500 tons of metal and was completed only in 1940, will be returned, as it is presumably working satisfactorily in its new location in the Urals.
- vi) Other. The Soviet lumber and woodpulp position presumably would be somewhat improved through regaining forest resources, lumber and pulp mills in Eastern Karelia and through the availability of some Finnish supplies. Restoration of hydroelectric plants on the Niva river in the Kola Peninsula (important as sources of power for the electrified northern section of the Murman Railway and for the Kirovsk apatite combine) and on the Svir River between Lakes Onega and Ladoga (source of power for Leningrad) would be possible, although it is not believed that such restoration would be completed for some time.

B. Germany

1. Germany's stake in Finland

- a. Strategic. Finland's association with Germany in the war against Russia has given the Third Reich very substantial strategic advantages in return for relatively little military investment. It enabled Germany to control the Gulf of Finland and practically to surround Leningrad. Without the use of German troops, the Russians' direct rail connection from their only ice free port - Murmansk - was cut. Finland provided Germany with a safe overland supply route to bases in Northern Norway, from which she has been able to attack Allied convoys bound for North-Russian ports with such success as to force the abandoning of this route during the summer months. Finally, the association with Finland has permitted the Germans to concentrate their forces in Northern Finland from which they have been able to maintain continued pressure, particularly by air, against the port of Murmansk, the principal and vulnerable Russian terminus of the northern supply route.
- b. Economic. The economic advantages to Germany, while less significant than the military, have been considerable. Germany's alloy position, one of her weaknesses, has been notably strengthened by access to Finnish nickel and cobalt. The Northern Finnish mines are estimated to provide about 60 percent of the nickel and approximately 45 percent of the cobalt available to Germany. Germany's dependence on Finnish copper is much less, perhaps to the extent of 8-9 percent,

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while only 30,000 out of the 250,000 tons of rayon pulp imported by Germany in 1943 came from Finland. Finally, Finland's alliance with Germany provides security for the import of Swedish iron ore through the Gulf of Bothnia during the open season. Finnish withdrawal from the war would make this route less secure; if this withdrawal also resulted in the establishment of Russian air and naval bases in the Hango peninsula and on the Aland Islands, the movement of ore by this route would be seriously interrupted if not cut off altogether.

- c. Political. The political advantage of Finland's association with Germany ^{has} ~~have~~ also been considerable. The German propagandists have made capital out of Germany's support of the "democratic republic of the North" against Russia; this line has been effective in the other satellite states and undoubtedly also in Sweden. Finland's withdrawal from the war would be an invitation to Germany's other satellites to follow her example; its psychological effect on the German people would also be considerable.

2. Pressures

- a. Economic. Germany's principal means for holding Finland in the war is probably the latter's dependence on Germany for food for her urban population, and for coal and oil; for coal and oil she is completely dependent on imports from Germany. The economic weapon is particularly effective since Germany's exports of these three commodities, so vital to

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Finland, withdraw only negligible proportions of Germany's supplies and thus constitute no significant strain on Germany's war economy.

- b. Military. The amount of military pressure which Germany can exert on Finland to hold that country in line is problematical. Practically all of the German forces in Finland, believed to be ^{seven} ~~six~~ divisions, are in the Far North where they are not only dependent for supplies on communication lines which they control only in part, but are in no position to exercise pressure on Finnish centers which are far to the south. In the event that the Finns should come into armed conflict with the German troops in Finland, the 14 Finnish divisions astride the German supply lines from the south, should be adequate to contain the Germans in the Far North if not to defeat and disarm them. While the Germans would therefore appear not to be in a position to use pressure on the Finns with the troops they now have in Finland, their capabilities for air and naval pressure are probably somewhat greater, at least until the Russians regain control of all of Estonia. Thoroughly familiar with the Finnish coastal waters (including the location of mine fields in these waters) and possessing considerably greater naval strength in the Baltic than Russia, the Germans theoretically would be able to subject the Finnish coastal cities (the majority of Finland's urban centers) to naval bombardment. They would also probable be able to hold Hango for some time. Finnish cities could also be bombed from German air bases in the Baltic States and in the Far North (so long as

the Germans are able to hold them) if the Germans had sufficient planes. It should be emphasized, however, that the German air strength is not believed to be sufficient to permit the division of any substantial number of planes for bombing operations over Finland and at the same time continue to offer effective opposition to the Russian advance. Similarly, German naval strength in the Baltic, while greater than that of the Russians, is not believed to be sufficient to risk the losses which would probably be incurred in operations close to shore from Finnish motor torpedo boats and planes (and possibly also from Russian torpedo boats and planes). The Germans probably are counting also on the necessity for using their naval strength against possible Russian amphibian operations against the islands of Dagoe and Oesel and perhaps against the Baltic coast.

Finally, the Germans must take into consideration the effect on Sweden of such operations against Finnish cities, especially when German defeat must now seem certain to the Swedes.

C. Finland

1. Capabilities for continued resistance to Russia

- a. Military. Finland's strength in military manpower and materiel is probably greater at present than it was at the outbreak of war in June 1941. This is due to the fact that the Russo-Finnish front has been virtually inactive for about two years with consequent minimum wastage rates of manpower and materiel. Material losses have been replaced by domestic production and imports from Germany, and considerable reserves are believed to have been accumulated. The total permanent Finnish casualties of 40,000 (of which the great majority were suffered in the first months of the war) probably have been nearly, if not entirely made up by the increment of males of military age and qualifications. Consequently, the 14 or 15 divisions reported to be at the front are backed up with adequate reserves. In addition to the 14 Finnish divisions, there are the 7 German divisions in the North. Finally, the Finns are occupying good natural defense positions which they have had ample time to strengthen, and these positions are well within Soviet territory.

While the Finnish-German forces on the Russo-Finnish front are believed to be adequate to withstand any offensive which the Russian forces currently on that front might undertake, it is clear that when the Russians are able (or when they choose) to divert to the Russo-Finnish front forces now engaged on the Russo-German front, they will have such an overwhelming

superiority of men and materiel as to enable them to crush Finnish resistance, no matter how stubborn, and to occupy as much of Finland as they desire. In view of the current successes of the Russians against the Germans, Finland's long-run capabilities for resistance to Russia must be considered small, although with the present disposition of the opposing forces, her short-run capabilities are relatively high.

- b. Economic. So long as Finland is able to secure food, coal, oil, and military supplies from Germany, her economic capabilities will continue at their present level. However, interruption of these imports would so weaken Finland that it is doubtful, considering the long strain which she has been under, whether her economy would permit any long-continued resistance to Russian pressure, particularly if the cutting of her supplies from Germany coincided with the diversion of Russian strength from the Russo-German to the Russo-Finnish front.
- c. Political. In the past Finland had some grounds for hope for support from Sweden and the United States. While the interest of America has been largely a matter of sentiment, the support given by Sweden was dictated by self-interest as well as by sentiment. Furthermore, for a time the Finns could hope to play on the apparent lack of understanding between the Anglo-American powers and Russia. The Four-Nation Declaration of Moscow and the Tehran Pact have much reduced this latter hope, while the hope of support

from the United States has been shattered by Secretary Hull's recent blunt warning to Finland to withdraw from the war or face the consequences. While it is not known whether the Finns have received a similar official warning from Sweden, there have been numerous hints that Sweden would like Finland to make peace, even though it involved considerable sacrifices on Finland's part.

Some of the Finns may still hope that if they hold out until after the defeat of Germany, divisive tendencies among the principal Allies may work to their advantage; in particular, that Britain and America, alarmed by Russian tendencies and ambitions, will seek better terms for Finland. But it must be obvious that if the Three-Power coalition dissolves after the defeat of Germany, Russia will be in a position to do exactly as it pleases with Finland.

As matters stand, Russia evidently intends to force a decision now, and the Finns have recognized the fact by opening negotiations. The practical question is therefore, what terms will Finland strive for or accept?

2. Finnish terms.

- a. Leaving aside the aims of the Finnish extremists who hoped to annex Eastern Karelia and the Kola Peninsula, Finland has hoped, as a result of her war with Russia, to regain the territory lost or leased as a result of the Winter War of 1939-40, and to hold on to the part of Eastern Karelia which she occupied in 1941.